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Security Council

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# Security Council Committee established pursuant to resolution 1718 (2006)

## Note verbale dated 31 October 2018 from the Permanent Mission of Malta to the United Nations addressed to the Chair of the Committee

The Permanent Mission of the Republic of Malta to the United Nations presents its compliments to the Chair of the Security Council Committee established pursuant to resolution 1718 (2006) and has the honour to refer to the Committee's note verbale dated 7 February 2018, which referred to the submission of national implementation reports and called upon Member States to report on the concrete measures taken to implement the provisions of all relevant resolutions.

In that regard, the Permanent Mission of the Republic of Malta has the honour to transmit herewith the report of the Government of Malta on measures taken to implement Security Council resolutions 2371 (2017), 2375 (2017) and 2397 (2017) (see annexes I, II and III).

18-18419 (E) 231118

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## Annex I to the note verbale dated 31 October 2018 from the Permanent Mission of Malta to the United Nations addressed to the Chair of the Committee

## Report of Malta on the implementation of Security Council resolution 2371 (2017)

### I. Measures adopted by the European Union

Malta and the other States members of the European Union are implementing the restrictive measures against the Democratic People's Republic of Korea set forth in Security Council resolution 2371 (2017) and, to that end, have adopted the following measures:

(a) Council Implementing Decision (CFSP) 2017/1459 of 10 August 2017 implementing Decision (CFSP) 2016/849 concerning restrictive measures against the Democratic People's Republic of Korea. This decision implements the listing of additional persons and entities and is given effect by Commission Implementing Regulation (EU) 2017/1457 of 10 August 2017 amending Council Regulation (EC) No. 329/2007 concerning restrictive measures against the Democratic People's Republic of Korea;

(b) Council Decision (CFSP) 2017/1562 of 14 September 2017 amending Decision (CFSP) 2016/849 concerning restrictive measures against the Democratic People's Republic of Korea and given effect by Council Regulation (EU) 2017/1548 of 14 September 2017 amending Regulation (EU) 2017/1509 concerning restrictive measures against the Democratic People's Republic of Korea.

Council Decision (CFSP) 2017/1562 of 14 September 2017 amending Decision (CFSP) 2016/849 lists the European Union's commitments to implementing the measures set out in resolution 2371 (2017), which:

- Prohibits the entry into the ports of Member States of vessels designated by the Committee, pursuant to paragraph 6 of resolution 2371 (2017), unless such entry is required because of an emergency or in the case of return to the port of origination. The Committee may grant an exemption under certain conditions.
- Clarifies the prohibition on owning, leasing or operating any vessel flagged by the Democratic People's Republic of Korea and the chartering of such vessels.
- Prohibits the procurement of coal, iron and iron ore from the Democratic People's Republic of Korea, unless the conditions mentioned in paragraph 8 of resolution 2371 (2017) are met.
- Prohibits the procurement of seafood from the Democratic People's Republic of Korea.
- Prohibits the procurement of lead and lead ore from the Democratic People's Republic of Korea.
- Prohibits Member States from exceeding the total number of work authorizations for nationals of the Democratic People's Republic of Korea provided in the jurisdictions of Member States and valid on any date after 5 August 2017, unless exempted by the Committee on a case-by-case basis.
- Prohibits the opening of new joint ventures or cooperative entities with individuals from or entities of the Democratic People's Republic of Korea, or the expansion of existing joint ventures, unless exempted by the Committee on a case-by-case basis.

- Clarifies the prohibition on the transfer and clearing of funds to or from the Democratic People's Republic of Korea.
- Clarifies that companies performing financial services commensurate with those provided by banks are considered financial institutions.
- Orders the seizure and disposal of items the export of which is prohibited by resolution 2371 (2017).

While decisions of the Council of the European Union enter into force on the day of their publication, regulations of the Council of the European Union and European Commission implementing regulations are binding in their entirety and are directly applicable in the legal systems of all States members of the European Union upon their publication. Both decisions and regulations are published in the *Official Journal of the European Union*.

## II. National implementation measures

The National Interest (Enabling Powers) Act, chapter 365 of the Laws of Malta, as amended by Act XXI of 31 May 2018, provides for the direct applicability of all sanctions measures issued by the United Nations and the European Union, which are enforceable in Malta without the need for any further transposition into Maltese law. The sanctions measures that are directly applicable are all sanctions related to Security Council resolutions and European Union regulations. Penalties for breaches of sanctions, including any breaches of Council resolution 2371 (2017), are established under article 6 of the National Interest (Enabling Powers) Act. It is incumbent on all authorities in Malta, as well as on legal and natural persons, to have in place and effectively implement internal controls and procedures to ensure compliance with the obligations arising from United Nations or European Union resolutions.

Malta confirms that all of the obligations listed under Security Council resolution 2371 (2017) are being implemented in full and further confirms the following in the light of very limited links with the Democratic People's Republic of Korea:

There were no vessels designated by the Committee, pursuant to paragraph 6 of resolution 2371 (2017), that have entered the ports of Malta and no chartering of any vessels flagged by the Democratic People's Republic of Korea.

There have been no imports of coal, iron, iron ore, lead, lead ore, seafood (including fish, crustaceans, molluscs and other aquatic invertebrates in all forms) procured from the Democratic People's Republic of Korea.

No new work authorizations have been granted to nationals of the Democratic People's Republic of Korea on or after 5 August 2017.

There were no instances of transfer or clearing of funds to or from the Democratic People's Republic of Korea.

There are no joint ventures or cooperative entities with individuals from and entities of the Democratic People's Republic of Korea.

Malta had no cases of interception of goods found to be contrary to the prohibitions contained in Security Council resolution 2371 (2017).

The Maltese authorities have flagged no difficulties in the implementation of Security Council resolution 2371 (2017) and will continue to remain vigilant to ensure its implementation in full.

## Annex II to the note verbale dated 31 October 2018 from the Permanent Mission of Malta to the United Nations addressed to the Chair of the Committee

## Report of Malta on the implementation of Security Council resolution 2375 (2017)

### I. Measures adopted by the European Union

Malta and the other States members of the European Union are jointly implementing the restrictive measures against the Democratic People's Republic of Korea set forth in Security Council resolution 2375 (2017) by adopting the following measures:

(a) Council Implementing Decision (CFSP) 2017/1573 of 15 September 2017 implementing Decision (CFSP) 2016/849 concerning restrictive measures against the Democratic People's Republic of Korea. This decision implements the listing of additional persons and entities and is given effect by Council Implementing Regulation (EU) 2017/1568 of 15 September 2017 implementing Regulation (EU) 2017/1509 concerning restrictive measures against the Democratic People's Republic of Korea;

(b) Council Decision (CFSP) 2017/1838 of 10 October 2017 amending Decision (CFSP) 2016/849 concerning restrictive measures against the Democratic People's Republic of Korea and given effect by Council Regulation (EU) 2017/1836 of 10 October 2017 amending Regulation (EU) 2017/1509 concerning restrictive measures against the Democratic People's Republic of Korea.

Council Decision (CFSP) 2017/1838 of 10 October 2017 lists the commitments of the European Union to implementing the measures set forth in resolution 2375 (2017), which:

- Prohibits additional weapons of mass destruction-related dual-use items, as adopted by the Committee, pursuant to paragraph 4 of resolution 2375 (2017).
- Prohibits additional conventional arms-related items, as adopted by the Committee, pursuant to paragraph 5 of resolution 2375 (2017).
- Prohibits the import of textiles from the Democratic People's Republic of Korea, unless such import falls under the conditions mentioned in paragraph 16 of resolution 2375 (2017) or as otherwise exempted by the Committee.
- Prohibits the export of all condensates and natural gas liquids to the Democratic People's Republic of Korea.
- Prohibits the export of all refined petroleum products to the Democratic People's Republic of Korea, unless the conditions mentioned in paragraph 14 of resolution 2375 (2017) are met.
- Prohibits, unless exempted by the Committee on a case-by-case basis, the export of an amount of crude oil that is in excess of the amount that the Member State exported over the 12-month period prior to 11 September 2017.
- Prohibits, unless exempted by the Committee on a case-by-case basis under certain conditions, the provision of work authorizations for nationals of the Democratic People's Republic of Korea in their jurisdictions in connection with admission to their territories.

- Prohibits, unless authorized by the Committee on a case-by-case basis, the opening, maintenance and operation of all joint ventures or cooperative entities and obliges the closure of any such existing joint venture or cooperative entity.
- Prohibits the entry into the ports of Member States of vessels designated by the Committee, pursuant to paragraph 6 of resolution 2375 (2017).
- Orders Member States that are flag States and do not consent to inspection of a vessel on the high seas to direct the vessel to proceed to an appropriate and convenient port for the required inspection.
- Requires the deregistration of vessels designated by the Committee, pursuant to paragraph 8 of resolution 2375 (2017).
- Requires Member States to submit a report to the Committee when the flag State does not consent to an inspection.
- Prohibits the facilitating or engagement in ship-to-ship transfers to or from flagged vessels of the Democratic People's Republic of Korea of any goods or items supplied, sold or transferred to or from the Democratic People's Republic of Korea.
- Obliges the seizure and disposal of items the export of which is prohibited by resolution 2375 (2017).

While decisions of the Council of the European Union enter into force on the day of their publication, regulations of the Council of the European Union and European Commission implementing regulations are binding in their entirety and are directly applicable in the legal systems of all States members of the European Union upon their publication. Both decisions and regulations are published in the *Official Journal of the European Union*.

## II. National implementation measures

The National Interest (Enabling Powers) Act, chapter 365 of the Laws of Malta, as amended by Act XXI of 31 May 2018, provides for the direct applicability of all sanctions measures issued by the United Nations and the European Union, which are enforceable in Malta without the need for any further transposition into Maltese law. The sanctions measures that are directly applicable are all sanctions related to Security Council resolutions and European Union regulations. Penalties are established under article 6 of the National Interest (Enabling Powers) Act. It is incumbent on all authorities in Malta, as well as on legal and natural persons, to have in place and effectively implement internal controls and procedures to ensure compliance with the obligations arising from United Nations or European Union resolutions.

Malta confirms that all of the obligations listed under Security Council resolution 2375 (2017) are being implemented in full and further confirms the following in the light of negligible links with the Democratic People's Republic of Korea:

No exports of weapons of mass destruction-related dual-use items and conventional arms-related items, and no condensates, natural gas liquids, crude oil and refined petroleum products, have been exported to the Democratic People's Republic of Korea. There has been no import of textiles from the Democratic People's Republic of Korea.

Moreover, there have been no instances of vessels designated by the Committee, pursuant to paragraph 6 of resolution 2375 (2017), that have entered the ports of Malta and no instances that necessitated deregistration.

No new work authorizations have been granted to nationals of the Democratic People's Republic of Korea, and there continue to be no joint ventures or cooperative entities with individuals from and entities of the Democratic People's Republic of Korea.

Malta has had no cases of interception of goods found to be contrary to the prohibitions contained in Security Council resolution 2375 (2017).

The Maltese authorities have flagged no difficulties in the implementation of Security Council resolution 2375 (2017) and will continue to remain vigilant to ensure its implementation in full.

## Annex III to the note verbale dated 31 October 2018 from the Permanent Mission of Malta to the United Nations addressed to the Chair of the Committee

## Report of Malta on the implementation of Security Council resolution 2397 (2017)

### I. Measures adopted by the European Union

Malta and the other States members of the European Union are jointly implementing the restrictive measures against the Democratic People's Republic of Korea set forth in Security Council resolution 2397 (2017) by adopting the following measures:

(a) Council Implementing Decision (CFSP) 2018/16 of 8 January 2018 implementing Decision (CFSP) 2016/849 concerning restrictive measures against the Democratic People's Republic of Korea. This decision implements the listing of additional persons and entities and is given effect by Council Implementing Regulation (EU) 2018/12 of 8 January 2018 implementing Regulation (EU) 2017/1509 concerning restrictive measures against the Democratic People's Republic of Korea;

(b) Council Decision (CFSP) 2018/293 of 26 February 2018 amending Decision (CFSP) 2016/849 concerning restrictive measures against the Democratic People's Republic of Korea and given effect by Council Regulation (EU) 2018/285 of 26 February 2018 amending Council Regulation (EU) 2017/1509 concerning restrictive measures against the Democratic People's Republic of Korea.

Council Decision (CFSP) 2018/293 of 26 February 2018 lists the commitments of the European Union to implementing the measures set forth in resolution 2397 (2017), which:

- Prohibits the import of food and agricultural products, machinery, electrical equipment and earth and stone, including magnesite and magnesia, wood and vessels.

- Prohibits the procurement of fishing rights from the Democratic People's Republic of Korea.

- Prohibits the export of all industrial machinery, transportation vehicles and iron, steel and other metals, unless it has been determined by a Member State that the provision of spare parts is needed to maintain the safe operation of civilian passenger aircraft of the Democratic People's Republic of Korea.

- Prohibits the direct and indirect supply of all crude oil to the Democratic People's Republic of Korea, whether or not originating in the territories of the Member States, including by means of pipelines, rail lines or vehicles.

- Limits the amount of refined petroleum products authorized for export to 500,000 barrels per year, including by means of pipelines, rail lines and vehicles.

- Requires the seizure and disposal of items in violation of the various Security Council resolutions.

- Poses an obligation to repatriate immediately all nationals of the Democratic People's Republic of Korea earning income in the jurisdiction of a Member State and all government safety oversight attachés of that country monitoring those nationals by 21 December 2019 at the latest, unless certain exceptions apply, subject to applicable national and international law.

- Requires Member States to seize, inspect and impound any vessel in their ports and have the power to seize, inspect and impound any vessel subject to their jurisdiction in their territorial waters where there are reasonable grounds to believe that the vessel has been involved in activities, or the transport of items, prohibited by the various Security Council resolutions.
- Requires Member States to cooperate as promptly as possible and in an appropriate manner with another State that has information that leads it to suspect that the Democratic People's Republic of Korea is attempting to supply, sell, transfer or procure, directly or indirectly, illicit cargo and where that State requests additional maritime and shipping information in order to, inter alia, determine whether the item, commodity or product in question originated in the Democratic People's Republic of Korea.
- Prohibits the provision by nationals of Member States, or from the territories of Member States, of insurance or reinsurance services to vessels that it has reasonable grounds to believe were involved in prohibited activities. The Committee may authorize such services if it determines, on a case-by-case basis, that the vessel is engaged in activities exclusively for livelihood purposes that will not be used by individuals from and entities of the Democratic People's Republic of Korea to generate revenue, or exclusively for humanitarian purposes.
- Prohibits classification services to vessels that it has reasonable grounds to believe was involved in prohibited activities, unless approval has been granted in advance by the Committee on a case-by-case basis.
- Requires Member States to deregister any vessel where there are reasonable grounds to believe that the vessel has been involved in activities, or the transport of items, prohibited by the various Security Council resolutions.
- Prohibits, unless approved in advance by the Committee on a case-by-case basis, the registration of vessels that have been deregistered by another Member State pursuant to the various Security Council resolutions.
- Prohibits claims in connection with any contract or transaction the performance of which has been affected, directly or indirectly, wholly or in part, by the various Security Council resolutions.

While decisions of the Council of the European Union enter into force on the day of their publication, regulations of the Council of the European Union and European Commission implementing regulations are binding in their entirety and are directly applicable in the legal systems of all States members of the European Union upon their publication. Both decisions and regulations are published in the *Official Journal of the European Union*.

## II. National implementation measures

The National Interest (Enabling Powers) Act, chapter 365 of the Laws of Malta, as amended by Act XXI of 31 May 2018, provides for the direct applicability of all sanctions measures issued by the United Nations and the European Union, which are enforceable in Malta without the need for any further transposition into Maltese law. The sanctions measures that are directly applicable are all sanctions related to Security Council resolutions and European Union regulations. Penalties are established under article 6 of the National Interest (Enabling Powers) Act. It is incumbent on all authorities in Malta, as well as on legal and natural persons, to have in place and effectively implement internal controls and procedures to ensure compliance with the obligations arising from United Nations or European Union resolutions.

Malta confirms that all of the obligations listed under Security Council resolution 2397 (2017) are being implemented in full and further confirms the following in the light of negligible links with the Democratic People's Republic of Korea:

Malta has not imported from or exported any goods to the Democratic People's Republic of Korea in violation of the various Security Council resolutions, and no vessels have been intercepted in Maltese territorial waters where there were reasonable grounds to suspect the carriage of prohibited items. No insurance or reinsurance or classification services have been provided to any vessels owned or operated by individuals from or entities of the Democratic People's Republic of Korea, and there have been no cases where deregistration of a vessel was deemed necessary for violation of Council resolutions. Likewise, Malta has not registered any vessels owned or operated by individuals from or entities of the Democratic People's Republic of Korea that had been deregistered by another Member State pursuant to the various Council resolutions, and no fishing rights from the Democratic People's Republic of Korea have been procured.

There are currently no nationals of the Democratic People's Republic of Korea who have work authorizations in Malta.

Malta has had no cases of interception of goods found to be contrary to the prohibitions contained in Security Council resolution 2397 (2017).

The Maltese authorities have flagged no difficulties in the implementation of Security Council resolution 2397 (2017) and will continue to remain vigilant to ensure its implementation in full.

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**Security Council Committee established pursuant to resolution 1718 (2006)**

## Note verbale dated 30 November 2018 from the Permanent Mission of Panama to the United Nations addressed to the Chair of the Committee

The Permanent Mission of the Republic of Panama presents its compliments to the Chair of the Security Council Committee established pursuant to resolution 1718 (2006) and has the honour to transmit herewith the national implementation report on the measures taken to comply with Security Council resolution 2397 (2017) (see annex).

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## Annex to the note verbale dated 30 November 2018 from the Permanent Mission of Panama to the United Nations addressed to the Chair of the Committee

## Report of Panama on the implementation of Security Council resolution 2397 (2017)

In accordance with the mandates set out in Security Council resolution 2397 (2017), the Republic of Panama has the honour to submit, via the Security Council Committee established pursuant to resolution 1718 (2006), its report on the implementation of the measures adopted by the Council with regard to the Democratic People's Republic of Korea.

### Asset-freezing measures

In accordance with the Security Council mandates and pursuant to Act No. 23 of 27 April 2015 and Executive Decree No. 587 of 4 August 2015 regarding preventive freezing, Panama, through its Ministry of Foreign Affairs and Financial Analysis Unit, enacted preventive administrative measures to freeze the property and assets of the individuals listed in Annex I to Security Council resolution 2397 (2017). This included using the Financial Analysis Unit's digital platform to send financial and non-financial reporting entities the sanctions list so that they could consult their databases and determine whether any of their clients were subject to restrictive measures imposed by Security Council resolutions and, if so, report back through the same channels. The implementation of these measures was duly disclosed through the official channels of the institutions responsible and of the supervisors of the reporting entities.

Significantly, as part of the freeze implemented as a result of the updating of the sanctions list (SCA/4/18 (04) dated 30 March 2018), one reporting entity reported a match through the technological platform, indicating that its database contained the name of a legal entity on that list, as well as two vessels on the Panamanian merchant registry. Since the individuals and companies were not domiciled in Panama and had no assets in the country, the State in which they were domiciled was informed of the finding through the Egmont Group. Information in this regard was brought to the attention of the Panel of Experts and the Committee through a diplomatic note.

### Financial measures

The supervisory institutions overseeing financial and non-financial reporting entities and responsible for regulating the banking, securities, insurance and reinsurance sectors, and the activities of professionals such as lawyers, accountants and real estate agents, continue to carry out regular on- and off-site inspections and visits to the financial and non-financial reporting entities to ascertain their internal "know your customer" policies and the measures they have taken to combat money-laundering, terrorism financing and the financing of proliferation of weapons of mass destruction in fulfilment of United Nations mandates, including timely reporting to the Financial Analysis Unit of matches found/suspicious transactions/cash transactions. All of the above action is taken in accordance with the standards and recommendations of the Financial Action Task Force.

Furthermore, the supervisory institutions for the various sectors have continued to organize, for reporting entities and for professionals subject to supervision, training and awareness-raising activities on the implementation of measures aimed at minimizing the possibility that those subject to sanctions, or persons acting on their behalf, will use the national financial system for their activities.

**Measures related to insurance and reinsurance**

Pursuant to Act No. 23 of 27 April 2015 and Agreement No. 3 of 27 July 2015, the Superintendency of Insurance and Reinsurance, the sector's supervisory body, issued circulars and directives relating to Security Council resolutions.

Three circulars were issued, 025-2017, 037-2017 and 044-2017, in which the Superintendency informed the sector of the measures taken by the Security Council in resolutions 1718 (2006), 2321 (2016) and 2371 (2017).

These circulars are published on the Superintendency's website (www.superseguros.gob.pa), together with the instructions issued by the Financial Analysis Unit.

In accordance with circulars 025-2017, 037-2017 and 044-2017, each insurance company submitted a note confirming that it is not providing insurance or reinsurance to representatives of the Democratic People's Republic of Korea, or to individuals working for them or acting on their behalf, or to vessels owned or controlled by the Democratic People's Republic of Korea.

On 10 May 2017, circular 028-2017 was issued, informing the insurance sector of its obligation to report to the Financial Analysis Unit on any updates to the Security Council sanctions list.[1]

By a resolution of September 2018, the Non-Financial Entities Supervision and Regulation Agency established simplified due diligence arrangements for non-financial reporting entities (lawyers, accountants and notaries public) for legal persons — whether shipping companies, shipowners or registration agents — which are duly recognized as users of the maritime services that Panama offers or which have their headquarters in Organization for Economic Cooperation and Development member countries.

All the measures reported in the previous report are in force and are being implemented.

**Preventive security measures**

In accordance with the mandates set out in Security Council resolution 2397 (2017), the National Security Council updated its consolidated list of individuals and entities and disseminated it to airports, ports and points of entry into Panama in order to ensure that alerts are issued and listed persons are denied entry into and transit through the country. Port facilities have also been notified of the prohibitions contained in that resolution against the use of such facilities by listed individuals and entities; those prohibitions include shipment of goods to or from the Democratic People's Republic of Korea.

There is ongoing inter-agency coordination within the security sector in order to exchange intelligence information for the purpose of adopting any preventive and mitigating measures necessary to protect the country from activities linked to individuals or entities subject to sanctions or to individuals or entities that may be acting on their behalf or that may be seeking to use Panamanian territory as a base to provide some form of support to evade sanctions applying to the Democratic People's Republic of Korea.

Notification was provided of the port entry ban, and the ban on loading, transportation or unloading, applying to the vessels listed by the Security Council in

[1] Refers to all updates to the Security Council's sanctions list, whether these are terrorism-related or country-specific sanctions.

order to warn the relevant civil authorities and private companies of the action to be taken should any such vessel enter waters under Panama's jurisdiction.

**Immigration measures**

In accordance with Security Council resolution 2397 (2017), the National Immigration Service has implemented specific measures aimed at preventing the entry into and transit through the country of the persons listed in annex I to that resolution, who are subject to a travel ban. These measures include:

**Action taken**

*Addition to the database of an immigration alert to prevent entry*

In accordance with article 50 (Grounds for non-admission), paragraph 5 of Decree-Law No. 3 of 22 February 2008, which provides for the denial of entry into or transit through the country to travellers who constitute a risk or threat to national security or the international community, an alert to prevent the entry of the 16 individuals listed in annex I to Security Council resolution 2397 (2017) was incorporated into the integrated immigration system at all immigration control points to ensure that, in the event that these individuals attempt to enter the country or are identified as transit passengers, the following steps are taken:

(i) Deny entry

When an individual is identified through the immigration alert, he or she will not be allowed to enter the country.

Results: To date, no travellers subject to sanctions have been detected entering or transiting through the country.

(ii) Security check

Applications for authorized visas, a category for which Democratic People's Republic of Korea citizens who are natives or passport holders are eligible, require prior authorization from the executive. These are duly verified and submitted to the executive secretariat of the National Security Council for approval or rejection; this helps with the identification of staff of the Government of the Democratic People's Republic of Korea. Applications are rejected if a positive identification is made.

Results: There are no reports of persons subject to sanctions making entry visa applications for Panama.

(iii) Check with a view to terminating processing.

Checks on the statistics relating to processing of applications were conducted to detect any citizens subject to sanctions. No record was found of legalization through any channel.

Results: No record has been found of immigration applications from persons subject to sanctions pursuant to resolution 2397 (2017) seeking to regularize their presence in Panama.

(iv) Instructions to all immigration control posts

A circular was sent to all immigration control posts with specific instructions as to the procedure to be followed in the event of detection of persons flagged as being subject to sanctions pursuant to resolution 2397 (2017).

Results: there have been no reports of action taken against individuals subject to sanctions.

**Measures related to employment**

No work permits have been issued to North Korean citizens.

**Customs-related measures**

Panama continues to apply the customs controls previously reported, with updates as appropriate to accommodate the provisions of resolution 2397 (2017). Institutional communication protocols have been established to ensure that information relating to the implementation of resolutions permeates all levels of customs control, seeking to avoid potential administrative omissions that might result in a failure to monitor compliance with international mandates in an appropriate way. New national customs system rules relating to the red channel have been introduced. They apply to natural and legal persons listed by the Security Council and carrying an identification number.

Using the foreign trade "one stop shop" of the Ministry of Trade and Industry, administrative action has been taken to restrict all exports to the Democratic People's Republic of Korea.

**Measures related to maritime services**

Internal procedures have been adopted in the maritime sector to ensure general implementation of current and future Security Council resolutions, with the aim of giving effect to the mandates involving that sector. Accordingly:

- Once a new resolution has been adopted by the Security Council, instructions are issued through the relevant administrative units to check what measures are needed in the sector. The required action is then taken if it is found that any vessel or any owner belonging to the Panamanian merchant registry is involved.

- In response to the resolution and/or information from the Panel of Experts and/or information provided by third States that certain vessels in the registry were involved in actions that could be in violation of Security Council resolutions, the process of de-registering the following nine vessels that were subsequently excluded from the Panamanian merchant registry was initiated: *Orient Shenyu* (IMO: 8671611), *Koti* (IMO: 9417115), *Koya* (IMO: 9396878), *An Quan Zhou 66* (IMO: 8742240), *Surplus G an 1* (IMO: 9073165), *Glory Hope 6* (IMO: 8684527), *Hai Shun 158* (IMO: 9011911), *Billions 88* (IMO: 9106340) and *Great Spring* (IMO:9560326).

- In addition, new measures, such as the revision of the PurpleTRAC system, were implemented for all vessels applying for registration in the Panamanian Merchant Register and for vessels for which a technical certificate must be issued. This system indicates when a vessel is subject to some form of restriction imposed by the Security Council or to action taken by a third State, so that such information can be taken into account when accepting or rejecting the application for registration and/or issuance of certificates.

- The assistance of the Panel of Experts and a third State was sought to establish one or more areas of concentration identified as the location of the greatest number of illegal operations and/or greatest reported risk associated with resolution 2397 (2017), in order to be able to track the vessels involved using the long-range identification and tracking system carried by the vessels that are part of the merchant registry, a system managed by a private company under

contract to provide this service. The request also included a request for financial assistance to implement these measures.

- A circular was sent to recognized organizations, private merchant marine consulates and users of the national merchant registry containing the list of ships with their owners and/or operators that have been removed from the merchant registry because of their links with the Democratic People's Republic of Korea. In addition, international counterpart entities with a memorandum of understanding were informed of the de-registration so that they in turn could take account of the action taken by Panama if they received re-flagging requests for those vessels.

- Information on the ship's operator was included as part of the de-registration process so that civil servants, lawyers and resident agents could be made aware directly of it by means of internal communications in the form of resolutions, memorandums and documents, and thus trigger the appropriate alerts if other vessels subject to sanctions or connected with activities in violation of international mandates were in the charge of the same operator.

**Inter-agency capacity-building**

The relevant Panamanian institutions have continued the process of training their staff on issues including those connected with implementing Security Council measures, proliferation and financing of weapons of mass destruction, implementation of financial sanctions and dual-use goods. At the same time, Panamanian institutions have taken part in bilateral and multilateral coordination meetings concerning maritime efforts by third States aimed at preventing action by individuals and entities that contribute in any way to violations of Security Council resolutions relating to the Democratic People's Republic of Korea.

Efforts have also continued to implement Executive Decree No. 81 of 25 May 2017, which established control measures for the secure trade and transportation of dual-use materials for purposes of national and international security, and Executive Decree No. 129, of 5 April 2017, which established a national inter-agency plan for preventing and responding to threats and incidents involving chemical, biological, radioactive, nuclear and explosive weapons and their means of delivery, under the leadership of the National Security Council, among other provisions. Both decrees have been adopted and their implementation phase has continued, in order to provide the necessary legal tools to give effect to Government policies against the proliferation and financing of weapons of mass destruction.

**International cooperation measures**

Intelligence entities are working with their counterparts in other countries to increase information exchange, including through international alerts and intelligence cooperation, in order to determine whether the individuals on the lists established and maintained by the Committee or on national lists are conducting, in Panama, either directly or through an intermediary individual or entity, any of the activities prohibited by the Security Council. Efforts are also focused on the exchange of information relating to new reported cases. They also continue to participate in the Global Container Control Programme, as a preventive measure, and in cooperation with the international community.

Meanwhile, Panama, through the Ministry of Foreign Affairs, continues to work with the Panel of Experts and with partner countries to provide any information necessary to combat the possible involvement of individuals or entities, or vessels registered in Panama. Reports have been submitted in response to requests including S/AC.49/2018/PE/OC.17 of 21 February 2018, S/AC.49/2018/PE/OC.213 of 19 June

2018, S/AC.49/2018/PE/OC.118 of 31 May 2018 and S/AC.49/2018/PE/OC.120 of 31 May 2018. Likewise, work continues with the Panel of Experts to provide necessary information connected with Panama's registries, as well as on the controls implemented at the State and private levels, preventive measures promoted and implemented, and results and findings in specific cases, within the bounds of the law.

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## Note verbale dated 6 December 2018 from the Permanent Mission of Portugal to the United Nations addressed to the Chair of the Committee

The Permanent Mission of Portugal to the United Nations presents its compliments to the Chair of the Security Council Committee established pursuant to resolution 1718 (2006) and has the honour to submit herewith its report on the implementation of Security Council resolution 2375 (2017) (see annex).

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**Annex to the note verbale dated 6 December 2018 from the Permanent Mission of Portugal to the United Nations addressed to the Chair of the Committee**

**Report of Portugal on the implementation of Security Council resolution 2375 (2017)**

## I. Introduction

The Government of Portugal is committed to implementing Security Council resolution 2375 (2017) and all previous Council sanctions resolutions on the Democratic People's Republic of Korea, namely, resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016), 2356 (2017) and 2371 (2017), as well as to fully cooperating with the Security Council Committee established pursuant to resolution 1718 (2006).

Portugal has taken the legislative and executive measures necessary to implement all Security Council sanctions resolutions on the Democratic People's Republic of Korea.

Portugal, as a member of the European Union, has also implemented the restrictive measures imposed in the Security Council sanctions resolutions, following the integration of those measures into the European Union legal order and the corresponding European Union decisions and regulations.

## II. Background

Article 8 (3) of the Constitution of the Portuguese Republic provides for the direct integration into the Portuguese legal framework of measures adopted by the competent bodies of international organizations, including the Security Council, provided that a provision to that effect is laid down in the respective constituent treaties. Therefore, sanctions designations pursuant to resolution 2375 (2017) and previous resolutions are directly applicable in Portugal.

Security Council resolutions are transposed into the Portuguese legal framework through decisions and regulations of the Council of the European Union. In accordance with European Union law, such decisions and regulations take immediate and direct effect in all national laws of States members of the European Union. The regulations have general application and are binding in their entirety on European Union citizens and businesses. Moreover, the decisions are binding in their entirety on those to which they are addressed, that is, all European Union member States (article 288 of the Treaty on the Functioning of the European Union). All European Union restrictive measures are published in the *Official Journal of the European Union*.

## III. Measures taken to implement resolution 2375 (2017)

Portugal and the other States members of the European Union have jointly implemented the restrictive measures against the Democratic People's Republic of Korea imposed under resolution 2375 (2017) by taking the following common measures:

(a) Council Implementing Decision (CFSP) 2017/1573 of 15 September 2017 implementing Decision (CFSP) 2016/849 concerning restrictive measures against the

Democratic People's Republic of Korea, which implements the designation of additional persons and entities (travel ban and asset freeze);

(b) Council Implementing Regulation (EU) 2017/1568 of 15 September 2017 implementing Regulation (EU) 2017/1509 concerning restrictive measures against the Democratic People's Republic of Korea, which gives effect to Council Implementing Decision (CFSP) 2017/1573;

(c) Council Decision (CFSP) 2017/1838 of 10 October 2017 amending Decision (CFSP) 2016/849 concerning restrictive measures against the Democratic People's Republic of Korea, which sets out the commitment of the European Union to implementing the measures contained in resolution 2375 (2017) in the following manner:

(i) Trade ban on dual-use items related to weapons of mass destruction adopted by the Committee (paragraph 4 of resolution 2375 (2017));

(ii) Trade ban on items related to conventional arms adopted by the Committee (paragraph 5 of resolution 2375 (2017));

(iii) Prohibition for vessels designated by the Committee to enter member States' ports (paragraph 6 of resolution 2375 (2017));

(iv) Obligation for member States that are flag States and that do not consent to the inspection of a vessel on the high seas to direct the vessel to proceed to an appropriate and convenient port for the required inspection;

(v) Deregistration of vessels designated by the Committee (paragraph 8 of resolution 2375 (2017));

(vi) Obligation for member States to submit a report to the Committee when a flag State does not cooperate with regard to inspections;

(vii) Prohibition on facilitating or engaging in ship-to-ship transfers to or from flagged vessels of the Democratic People's Republic of Korea of any goods or items that are being supplied, sold or transferred to or from the Democratic People's Republic of Korea;

(viii) Prohibition on exporting condensates and natural gas liquids to the Democratic People's Republic of Korea;

(ix) Prohibition on exporting refined petroleum products to the Democratic People's Republic of Korea. The prohibition does not apply if the conditions mentioned in paragraph 14 of resolution 2375 (2017) are met;

(x) Prohibition on exporting an amount of crude oil that exceeds the amount that the member State exported in the 12 months prior to 11 September 2017. The Committee may grant an exemption on a case-by-case basis and under certain conditions;

(xi) Prohibition on importing textiles from the Democratic People's Republic of Korea. The prohibition does not apply if the conditions mentioned in paragraph 16 of resolution 2375 (2017) are met. The Committee may also grant an exemption on a case-by-case basis;

(xii) Prohibition on providing work authorizations for nationals of the Democratic People's Republic of Korea in the jurisdiction of member States in connection with admission to their territories. The Committee may grant an exemption on a case-by-case basis under certain conditions;

(xiii) Prohibition on opening, maintaining and operating joint ventures, unless approved by the Committee on a case-by-case basis, and obligation to close existing joint ventures;

(xiv) Obligation to seize and dispose of items the export of which is prohibited under resolution 2375 (2017);

(d) Council Regulation (EU) 2017/1836 of 10 October 2017 amending Regulation (EU) 2017/1509 concerning restrictive measures against the Democratic People's Republic of Korea, which gives effect to the measures set out in Council Decision (CFSP) 2017/1838.

The above-mentioned Council regulations are binding in their entirety and directly applicable in all European Union member States. Under Council Regulation (EU) 2017/1509, member States are required to determine the penalties applicable in case of infringements of their provisions.

## IV. Information from Portuguese authorities

The application and implementation of Security Council sanctions and the corresponding European Union restrictive measures are regulated by Law No. 97/2017, of 23 August 2017. The law refers to national competent authorities which are responsible for coordinating the implementation of restrictive measures and for providing information on the subject. More specifically, the national competent authorities disseminate updates to Council resolutions and European Union legal acts concerning restrictive measures, in order to ensure the effective implementation of such measures.

No violation or suspicion of violation of resolution 2375 (2017) has been reported by the Ministry of Defence, the Ministry of Home Affairs, the Ministry of Economy, the Ministry of Finance, the Bank of Portugal or any other entity, whether private or public, responsible for the concrete implementation of restrictive measures.

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Security Council

Distr.: General
7 December 2018

Original: English

**Security Council Committee established pursuant to resolution 1718 (2006)**

## Note verbale dated 6 December 2018 from the Permanent Mission of Portugal to the United Nations addressed to the Chair of the Committee

The Permanent Mission of Portugal to the United Nations presents its compliments to the Chair of the Security Council Committee established pursuant to resolution 1718 (2006) and has the honour to submit herewith its report on the implementation of Security Council resolution 2397 (2017) (see annex).

18-21514 (E) 171218

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**Annex to the note verbale dated 6 December 2018 from the Permanent Mission of Portugal to the United Nations addressed to the Chair of the Committee**

**Report of Portugal on the implementation of Security Council resolution 2397 (2017)**

# I. Introduction

The Government of Portugal is committed to implementing Security Council resolution 2397 (2017) and all previous Council sanctions resolutions on the Democratic People's Republic of Korea, namely, resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016), 2356 (2017), 2371 (2017) and 2375 (2017), as well as to fully cooperating with the Security Council Committee established pursuant to resolution 1718 (2006).

Portugal has taken the legislative and executive measures necessary to implement all Security Council sanctions resolutions on the Democratic People's Republic of Korea.

Portugal, as a member of the European Union, has also implemented the restrictive measures imposed in the Security Council sanctions resolutions, following the integration of those measures into the European Union legal order and the corresponding European Union decisions and regulations.

# II. Background

Article 8 (3) of the Constitution of the Portuguese Republic provides for the direct integration into the Portuguese legal framework of measures adopted by the competent bodies of international organizations, including the Security Council, provided that a provision to that effect is laid down in the respective constituent treaties. Therefore, sanctions designations pursuant to resolution 2397 (2017) and previous resolutions are directly applicable in Portugal.

Security Council resolutions are transposed into the Portuguese legal framework through decisions and regulations of the Council of the European Union. In accordance with European Union law, such decisions and regulations take immediate and direct effect in all national laws of States members of the European Union. The regulations have general application and are binding in their entirety on European Union citizens and businesses. Moreover, the decisions are binding in their entirety on those to which they are addressed, that is, all European Union member States (article 288 of the Treaty on the Functioning of the European Union). All European Union restrictive measures are published in the *Official Journal of the European Union*.

# III. Measures taken to implement resolution 2397 (2017)

Portugal and the other States members of the European Union have jointly implemented the restrictive measures against the Democratic People's Republic of Korea imposed under resolution 2397 (2017) by taking the following common measures:[1]

[1] All common measures are published in the *Official Journal of the European Union*.

(a) Council Implementing Decision (CFSP) 2018/16 of 8 January 2018 implementing Decision (CFSP) 2016/849 concerning restrictive measures against the Democratic People's Republic of Korea,[2] which implements the designation of additional persons and entities (travel ban and/or asset freeze);

(b) Council Implementing Regulation (EU) 2018/12 of 8 January 2018 implementing Regulation (EU) 2017/1509 concerning restrictive measures against the Democratic People's Republic of Korea,[3] which gives effect to Council Implementing Decision (CFSP) 2018/16;

(c) Council Decision (CFSP) 2018/293 of 26 February 2018 amending Decision (CFSP) 2016/849 concerning restrictive measures against the Democratic People's Republic of Korea,[4] which sets out the commitment of the European Union to implementing the measures contained in resolution 2397 (2017) in the following manner:

(i) The European Union had already introduced a full prohibition on the export of crude oil in Council Decision (CFSP) 2017/1860 of 16 October 2017 amending Decision (CFSP) 2016/849 concerning restrictive measures against the Democratic People's Republic of Korea,[5] with a derogation for exports for humanitarian purposes, subject to prior approval, on a case-by-case basis, by the Committee. In Council Decision (CFSP) 2018/293, it is further specified that the prohibition applies to the direct or indirect supply of all crude oil to the Democratic People's Republic of Korea, whether or not originating in the territories of the member States, including by means of pipelines, rail lines or vehicles;

(ii) The European Union had already introduced a full prohibition on the export of all refined petroleum products in Council Decision (CFSP) 2017/1860, which also provided that the export of such products could be authorized by the competent authority of a member State for humanitarian purposes under the conditions mentioned in paragraph 14 of resolution 2375 (2017). In Council Decision (CFSP) 2018/293, it is further specified that the amount of refined petroleum products authorized for export cannot exceed 500,000 barrels per year and that the means of export include pipelines, rail lines and vehicles;

(iii) Prohibition on importing food and agricultural products, machinery, electrical equipment, earth and stone (including magnesite and magnesia), wood and vessels;

(iv) Prohibition on the acquisition of fishing rights from the Democratic People's Republic of Korea;

(v) Prohibition on exporting all industrial machinery, transportation vehicles, iron, steel and other metals, unless it has been determined by a member State that the provision of spare parts is needed to maintain the safe operation of passenger aircraft of the Democratic People's Republic of Korea;

(vi) Obligation to repatriate to the Democratic People's Republic of Korea, immediately, and no later than 21 December 2019, all nationals of that country earning income in the jurisdiction of a member State and all government safety oversight attachés of the Democratic People's Republic of Korea who are monitoring its workers abroad, unless certain exceptions apply, subject to applicable national and international law;

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[2] *Official Journal of the European Union*, L 4, 9 January 2018, p. 16.
[3] *Official Journal of the European Union*, L 4, 9 January 2018, p. 1.
[4] *Official Journal of the European Union*, L 55, 27 February 2018, p. 50.
[5] *Official Journal of the European Union*, L 265 I, 16 October 2017, p. 8.

(vii) Obligation for member States to seize, inspect and impound any vessel in their ports and granting to member States of the power to seize, inspect and impound any vessel subject to their jurisdiction in their territorial waters where there are reasonable grounds to believe that the vessel has been involved in activities, or in the transport of items, prohibited by the Security Council in its various resolutions on the Democratic People's Republic of Korea. Under certain conditions, the provisions concerning the impounding of vessels do not apply;

(viii) Obligation to cooperate as promptly as possible with another State that has information leading it to suspect that the Democratic People's Republic of Korea is attempting to export illicit cargo and where that State requests additional maritime and shipping information;

(ix) Prohibition on providing insurance or reinsurance services to vessels identified as being involved in activities, or in the transport of items, prohibited by the Security Council in its various resolutions on the Democratic People's Republic of Korea, unless the Committee has determined, on a case-by-case basis, that the vessel is engaged in activities only for livelihood or humanitarian purposes;

(x) Obligation to deregister any vessel where there are reasonable grounds to believe that the vessel has been involved in activities, or in the transport of items, prohibited by the Security Council in its various resolutions on the Democratic People's Republic of Korea;

(xi) Prohibition on providing classification services to vessels identified as being involved in activities, or in the transport of items, prohibited by the Security Council in its various resolutions on the Democratic People's Republic of Korea, unless approved in advance by the Committee on a case-by-case basis;

(xii) Obligation not to register any vessel that has been deregistered by another State, unless approved in advance by the Committee on a case-by-case basis;

(xiii) The prohibition on exporting new or used vessels had already been introduced in Council Decision (CFSP) 2017/345 of 27 February 2017 amending Decision (CFSP) 2016/849 concerning restrictive measures against the Democratic People's Republic of Korea;[6]

(xiv) Obligation to seize and dispose of items the export of which is prohibited under resolution 2397 (2017);

(xv) Prohibition on satisfying any claim in connection with any contract or transaction the performance of which has been affected by the measures provided in resolution 2397 (2017);

(d) Council Regulation (EU) 2018/285 of 26 February 2018 amending Council Regulation (EU) 2017/1509 concerning restrictive measures against the Democratic People's Republic of Korea,[7] which gives effect to the measures set out in Council Decision (CFSP) 2018/293.

The above-mentioned Council regulations are binding in their entirety and directly applicable in all European Union member States. Under Council Regulation (EU) 2017/1509, member States are required to determine the penalties applicable in case of infringements of their provisions.

[6] *Official Journal of the European Union*, L 50, 28 February 2017, p. 59.

[7] *Official Journal of the European Union*, L 55, 27 February 2018, p. 1.

## IV. Information from Portuguese authorities

The application and implementation of Security Council sanctions and the corresponding European Union restrictive measures are regulated by Law No. 97/2017, of 23 August 2017. The law refers to national competent authorities which are responsible for coordinating the implementation of restrictive measures and for providing information on the subject. More specifically, the national competent authorities disseminate updates to Council resolutions and European Union legal acts concerning restrictive measures, in order to ensure the effective implementation of such measures.

No violation or suspicion of violation of resolution 2397 (2017) has been reported by the Ministry of Defense, the Ministry of Home Affairs, the Ministry of Economy, the Ministry of Finance, the Bank of Portugal or any other entity, whether private or public, responsible for the concrete implementation of restrictive measures.

United Nations S/AC.49/2018/107

Security Council

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28 December 2018
English
Original: Spanish

**Security Council Committee established pursuant to resolution 1718 (2006)**

## Note verbale dated 20 December 2018 from the Permanent Mission of the Dominican Republic to the United Nations addressed to the Chair of the Committee

The Permanent Mission of the Dominican Republic to the United Nations presents its compliments to the Chair of the Security Council Committee established pursuant to resolution 1718 (2006), and has the honour to transmit herewith the report of the Dominican Republic on compliance with the provisions and prohibitions contained in Security Council resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016), 2356 (2017), 2371 (2017), 2375 (2017) and 2397 (2017) (see annex).

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## Annex to the note verbale dated 20 December 2018 from the Permanent Mission of the Dominican Republic to the United Nations addressed to the Chair of the Committee

## Report of the Dominican Republic on the implementation of Security Council resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016), 2356 (2017), 2371 (2017), 2375 (2017) and 2397 (2017)

The Government of the Dominican Republic, for the purposes of compliance with the provisions and prohibitions contained in Security Council resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016), 2356 (2017), 2371 (2017), 2375 (2017) and 2397 (2017), notifies the Chair of the Security Council Committee established pursuant to resolution 1718 (2006), by means of the following report, that in conformity with legally binding Security Council resolutions, the Dominican Republic as a State Member of the United Nations complies with its international legal obligation to respect the sanctions imposed against the Democratic People's Republic of Korea by taking the necessary actions and measures.

To that end, the Ministry of Foreign Affairs of the Dominican Republic has notified all responsible state institutions of the content of those resolutions to ensure that they comply with and do not violate the recommendations contained therein.

In 2017, the Ministry of Foreign Affairs issued a press release dated 30 August, in which it strongly condemned the intercontinental ballistic missile and nuclear tests carried out by the Democratic People's Republic of Korea, because such actions endanger peace and stability in the region, as well as international security.

The Dominican Republic states that it does not transfer or provide weapons to the Democratic People's Republic of Korea, nor does it receive weapons from that country; it does not transfer or trade materials or items prohibited by the above-mentioned resolutions from or with the Democratic People's Republic of Korea; and the development, production, possession, sale, import, transport, stockpiling and use of chemical, biological and nuclear weapons are prohibited by the Constitution of the Dominican Republic and are severely punished by Dominican criminal law.

The Dominican Republic promulgated the Asset-laundering Prevention Act No. 155-17 on 1 July 2017, as well as its implementing regulation 407-17 on 16 November 2017, providing for the establishment of measures and compliance with the sanctions set out in the resolutions issued by the Security Council, including the freezing of accounts, and identifying the competent authorities and reporting entities that are responsible for their implementation.

On 8 January 2018, the Ministry of Foreign Affairs began to use software that distributes to the authorities identified in the Asset-laundering Prevention Act No. 155-17, immediately upon receipt, notifications of updates to the consolidated list of persons and entities subject to sanctions for violating resolutions issued by the Security Council, which establishes the process for preventive freezing of assets within 72 hours of the issuance of an update by the United Nations.

On 2 July 2018, an inter-agency board was created in the Ministry of Foreign Affairs made up of representatives of all government institutions that are in some way responsible for overseeing and complying with the provisions set out in those resolutions. The goal of the inter-agency board is to ensure effective coordination among the different sectors responsible for security, defence and related issues.

The Dominican Republic remains vigilant and is constantly improving its mechanisms for detecting violations of the provisions set out in Security Council resolutions 1718 (2006), 1874 (2009), 2087 (2013), 2094 (2013), 2270 (2016), 2321 (2016), 2356 (2017), 2371 (2017), 2375 (2017) and 2397 (2017).